

Important information for employers when using the 2010 PAYE tables

This flyer explains how to use the 2010 PAYE tables to record the PAYE and student loan repayments for employees who've elected the new ME SL tax code for the independent earner tax credit (IETC). If you pay people with student loans you need to read this.




ME SL and the PAYE tables

In the PAYE tables (IR 340 and IR 341) for 2010 we've included two new columns for the ME and ME SL tax codes which apply from 1 April 2009. These columns allow you to work out the appropriate payments for employees eligible to receive the independent earner tax credit (IETC).

Transferring ME and ME SL deductions to your Employer monthly schedule (IR 348)

The 2010 PAYE tables show the ME SL column as a combined total for PAYE and student loan (SL) repayments.



Weekly Pay Periods - Earnings \$88						
Earnings	Codes					
	M	ME	ML	M SL		ME SL
\$	\$	\$	\$	PAYE	Loan ded	\$
881.00	177.10	171.63	177.10	177.10	51.40	223.03
882.00	177.32	171.98	177.32	177.32	51.50	223.48
883.00	177.55	172.34	177.55	177.55	51.60	223.94
884.00	177.78	172.70	177.78	177.78	51.70	224.40
885.00	178.01	173.06	178.01	178.01	51.80	224.86
886.00	178.23	173.41	178.23	178.23	51.90	225.31
887.00	178.46	173.77	178.46	178.46	52.00	225.77

The employer monthly schedule (EMS) however, requires you to separate the PAYE and student loan repayments for each employee.

For each pay period

When transferring the PAYE and student loan repayments for an employee using the ME SL tax code to your EMS, you'll need to:

- (a) use the PAYE figures from the 'ME' column, and
- (b) the student loan deduction figures from the 'M SL Loan ded' column.

And then transfer these amounts to the appropriate columns for that employee on your EMS.

Weekly Pay Periods – Earnings \$88						
Earnings	Codes					
		(a)		M SL	(b)	
	M	ME	ML	PAYE	Loan ded	ME SL
\$	\$	\$	\$	\$	\$	\$
881.00	177.10	171.63	177.10	177.10	51.40	223.03
882.00	177.32	171.98	177.32	177.32	51.50	223.48
883.00	177.55	172.34	177.55	177.55	51.60	223.94
884.00	177.78	172.70	177.78	177.78	51.70	224.40
885.00	178.01	173.06	178.01	178.01	51.80	224.86
886.00	178.23	173.41	178.23	178.23	51.90	225.31
887.00	178.46	173.77	178.46	178.46	52.00	225.77



Inland Revenue
Te Tari Taake

Employer monthly schedule

For help, refer to notes on employer deductions form.

This schedule is due

Gross earnings and/or schedular payments	Earnings and/or schedular payments not liable for ACC earners' levy	3 PAYE and/or schedular tax deductions	4 Child support deductions	5 Student loan deductions
--	---	--	----------------------------	---------------------------

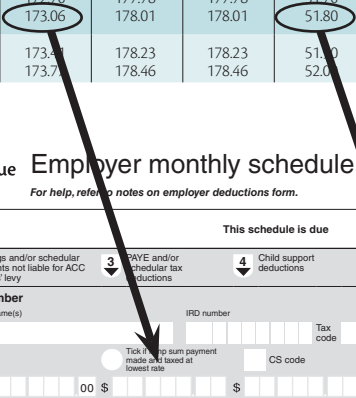
Employee name and IRD number

Surname: _____ First name(s): _____ IRD number: _____ Tax code: _____ Employment start: _____ Day: _____

Tick if lump sum payment made and taxed at lowest rate

CS code: _____

\$ _____ 00 \$ _____ 00 \$ _____ \$ _____ \$ _____



Note that you shouldn't transfer the total shown in the ME SL column to your EMS. Instead ensure that you record the appropriate PAYE and student loan repayments for each employee using that tax code.

You can double check if you've transferred the correct amounts to your EMS by adding the two figures together to get the amount shown in the corresponding ME SL column.

Eg.

$$\begin{array}{r} \$173.06 \\ \text{(ME PAYE)} \end{array} + \begin{array}{r} \$51.80 \\ \text{(M SL loan repayment)} \end{array} = \begin{array}{r} \$224.86 \\ \text{(ME SL)} \end{array}$$

Example:

If your employee is using the ME SL tax code and has gross weekly earnings of \$521.00. When transferring the PAYE and student loan repayments to your EMS, you'll need to do the following, using the 2010 tables:

- Use the corresponding PAYE figure from the ME column – which is \$85.38
- Use the corresponding student loan repayment figure from the 'Loan ded' column – which is \$15.40

When totalled, these figures will equal the amount showing in the corresponding ME SL column. In this case that's \$100.78 (\$85.38 + \$15.40).

Online PAYE calculators

You can also use the online PAYE calculators (visit our website) to help you work out an employee's PAYE and student loan repayments if they use the ME SL tax code.